

## ABOUT THE PROGRAM

### WHAT IS STEP FORWARD MICHIGAN?

The Step Forward Michigan Program was established by the Michigan Homeowner Assistance Non-Profit Housing Corporation (MHA) to help Michigan homeowners stay in their homes. The program provides interest-free loans of up to \$30,000 to assist with mortgage, property taxes, and/or condominium association fees. These loans are forgivable at 20% each year, as long as the property remains the homeowner's primary residence. This means that if a homeowner remains in their home for 5 years or more after the loan is granted, they do not have to repay the loan.

You can find out if you qualify to apply [here](#) or call 866-946-7432. If your primary language is Spanish, we have Spanish-speaking representatives on staff to assist you in completing the application or to answer any questions you may have. After determining if you qualify for assistance, Step Forward Michigan program staff will work directly with you to evaluate your loan application.

## REQUIREMENTS

This loan program assists homeowners delinquent on their mortgage, condo association fees, and/or property taxes. To qualify for assistance, you must first meet the following requirements:

- You have had an involuntary qualifying hardship that caused the delinquency.  
(Examples: Job loss, medical event, death, divorce, one-time critical housing repair)
- You have the income necessary to sustain future payments.

If you qualify for assistance, program funds are paid directly to your lender, county treasurer, or condo association to reinstate the delinquent balance(s).






## PARTICIPATING PARTNERS

For you to qualify for the program, the organization to whom you owe money (your mortgage lender, condo association, municipal government, etc.) must be a participating partner in the Step Forward Michigan program.

See the complete list [here](#).

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
Homeownership Division

# Understanding Michigan's Foreclosure Timeline

 <b>Day 2 to 36</b>	 <b>Day 45</b>	 <b>During this time</b>	 <b>Day 121</b>	 <b>Six (6) months</b>	<b>Redemption Period Expires</b>
<ul style="list-style-type: none"> <li>• <b>Payment due on the 1<sup>st</sup></b> and is considered delinquent on the 2<sup>nd</sup>.</li> <li>• Late charges are assessed for each missed payment.</li> <li>• Lender/Service must make <b>LIVE</b> contact with homeowners, who missed their payment, to inform about loss mitigation options.</li> </ul> <p><b>Communicate with your Lender, "What are my options, what do I qualify for?"</b></p>	<ul style="list-style-type: none"> <li>• Lender/Service must assign a single point of contact to homeowner <b>AND</b> provide written notification of delinquency and loss mitigation options.</li> </ul> <p><b>Big 5 Servicers:</b></p> <ul style="list-style-type: none"> <li>• Bank of America</li> <li>• Chase</li> <li>• Citimortgage</li> <li>• GMAC/Ally</li> <li>• Wells Fargo</li> </ul> <p>See details below</p>	<ul style="list-style-type: none"> <li>• During this time you can work with a lender to obtain a loan workout, a modification or other loss mitigation option.</li> <li>• If your Lender allows you to make a <b>partial payment – make it.</b></li> </ul> <p><b>Don't agree to a workout plan if you cannot afford to make the payments.</b></p> <p><b>Contact a MSHDA approved agency for free assistance.</b></p>	<ul style="list-style-type: none"> <li>• If all attempts to resolve default are unsuccessful and hardship application is not received the foreclosure process begins.</li> <li>• Sheriff's sale date is scheduled, and then published in the county newspaper for four (4) consecutive weeks – publishing details of the debt.</li> <li>• Notice of the sale date gets posted on the property within two (2) weeks of the first publication.</li> </ul>	<ul style="list-style-type: none"> <li>• Redemption Period – starts day of Sheriff Sale -Six (6) months is most common. -If more than two-thirds of the loan amount has been paid, the redemption period can be up to twelve (12) months. -Farming property can be up to twelve (12) months.</li> <li>• Homeowner can live in property, not required to make payments, can sell or buy back property and should:               <ul style="list-style-type: none"> <li>➢ Maintain the property</li> <li>➢ Maintain utilities</li> <li>➢ Maintain insurance</li> </ul> </li> <li>• <b>And must:</b> Allow purchaser to inspect the home and all ancillary structures during redemption period.</li> <li>• <b>To redeem the property the borrower must pay:</b> Amount bid at sheriff sale + interest + fees.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Home Inspections:</b> If an inspection is unreasonably refused or if damage to the property is imminent or has occurred, the purchaser of property at the Sheriff Sale may <b>immediately</b> begin eviction proceedings to seek possession and terminate the homeowner's redemption period.</li> <li>• Once you move out, the purchaser (normally the lender) may take action to gain possession of the abandoned property.</li> <li>• <b>EVICITION</b> - At the end of the redemption period if you have not already vacated the home you will receive a <b>Summons</b> to appear in court. At the hearing, a date is set for the Sheriff to physically remove you from the property, if necessary.</li> </ul>
<p><b>Big 5 Servicers:</b> Will designate an agent (law firm) to facilitate negotiations and attend meeting with the homeowners.</p> <ul style="list-style-type: none"> <li>- Send written notice informing borrower that they have 30 days to respond and request a meeting.</li> <li>- If meeting is requested – the foreclosure proceedings cannot start until after the meeting is held.</li> <li>- If a meeting is not requested – the foreclosure proceedings can start on the 121<sup>st</sup> day of delinquency.</li> </ul> <p><b>Be realistic</b> – if you cannot afford to keep your home – <b>sell it</b>. List your home with a reputable Realtor® who is familiar with "short sales" if you owe more than your home is worth. A short sale requires your Lenders approval. Always ask for a waiver of deficiency from the Lender.</p> <p><b>Avoid Rescue Scams:</b></p> <ul style="list-style-type: none"> <li>• Don't give someone money who says they can prevent a foreclosure or help you get a loan modification.</li> <li>• Don't sign paperwork you aren't familiar with or sign a deed over to someone who says they will help you.</li> </ul>					
<p><b>Sheriff Sale Held</b> - The "Sheriff's Deed" lists the last date the property can be redeemed. (Up until the Sheriff Sale has occurred, homeowner may still submit a loss mitigation application.)</p> <p>MSHDA's Housing Education Partners can assist you with determining your housing goals and which options such as a loan modification, Hardest Hit assistance or transitioning from your home best meet your individual needs. Other local community resource information is also provided. <b>Contact a MSHDA-approved agency for free assistance @ <a href="http://www.michigan.gov/mshda">www.michigan.gov/mshda</a></b></p>					

## Mortgage Credit Certificate (MCC)

The Michigan State Housing Development Authority's (MSHDA) Mortgage Credit Certificate (MCC) is a federal tax credit issued in connection with the purchase of a home. This allows homebuyers to credit 20% of the annual mortgage interest paid against their year-end federal income tax liability.

Federal tax credit of up to 20% of the annual mortgage interest paid on your mortgage

- MCC tax credit is available for the life of the original mortgage (up to 30 years)
- Tax credit may allow borrower more income to qualify for the mortgage or to make the monthly payment
- Must apply for this tax credit when applying for a mortgage
- Only available on home "purchases"
- Must apply through a participating lender. Lenders can be found at [michigan.gov/MSHDA](http://michigan.gov/MSHDA)
- For first-time homebuyers statewide and repeat homebuyers in targeted areas
- Must meet income and sales price limit requirements. Income and sales price limits can be found at [michigan.gov/MSHDA](http://michigan.gov/MSHDA)
- Acreage restriction - maximum of two (2) acres
- Fee for MCC program is \$400. The lender may charge an additional \$100 administration fee
- IRS recapture tax may apply if borrower sells the home within the first 9 years after purchase (MSHDA Recapture Tax Reimbursement program is available)
- Borrower may keep the original MCC tax credit if their loan is modified (rate and/or term only) and the modification does not change the principal balance of the loan
- The MCC program cannot be combined with any other MSHDA programs (MI Home Loan or MI Home Loan Flex)

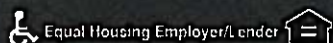
### To Get Started

Contact a MSHDA MCC participating lender  
[michigan.gov/MSHDA](http://michigan.gov/MSHDA)

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Southeast Michigan



1.844.984.HOME (4663)

Terms and conditions apply. Find out more at [Michigan.gov/downpayment](http://Michigan.gov/downpayment)



# Property Improvement Program

## Who can apply?

The home improvement loan program is open to qualified Michigan homeowners with annual household incomes up to \$105,700. All applicants must have a minimum credit score of 620 and have equity in the home.

## What home improvements are eligible for a PIP loan?

The improvements must substantially protect or improve the basic livability or utility of the single family or manufactured home.

Structural additions, alterations and renovations/repair including energy efficiency updates are eligible including:

- Roofing, insulation, siding, windows or doors
- Heating and air conditioning, plumbing and electrical
- Garage and deck construction
- Attic and basement finishing
- Septic and sewer replacement

## What is the maximum amount that can be borrowed?

Loan amounts can go up to \$25,000 for single family homes and manufactured homes secured to real estate. Manufactured homes located in mobile home parks are eligible for up to \$7500.

## What are the benefits in a PIP loan?

- Affordable monthly payments – loans can be amortized for 5, 10, 15 or 20-year repayments
- No appraisal required
- All adult household members are not required to apply for the loan
- No lien placed on loans under \$7500

For more details on PIP or to locate a Participating Lender in your county, go to [michigan.gov/homeimprovement](http://michigan.gov/homeimprovement) or call toll free **844-984-HOME (4663)**



# MSHDA's Housing Education Program (HEP)

## How will Homebuyer Education benefit my client?

A prepared homebuyer is more likely to become a successful homebuyer. To support your clients in achieving their goal of homeownership, MSHDA's Housing Education Program (HEP) provides important services.

All borrowers and co-borrowers obtaining a MSHDA Michigan Down Payment are required to attend Homebuyer Education (HBE). Following are the three HBE options available to your clients.

## Homebuyer Education Workshops

As defined by HUD, Homebuyer Education is offered in a workshop setting, which is a six to eight hour commitment. Homebuyers just beginning to think about purchasing a home will find the information shared in these workshops helpful.

Topics reviewed include:

- Assessing Readiness – Is Buying Right for Me?
- Selecting a Home
- Determining Affordability
- Inspections and Appraisals

Homebuyer Education Workshops can be provided by either a MSHDA HEP agency or a Michigan based, HUD approved agency. Workshops fill up quickly so contacting an agency for information on how to register is recommended. Refer your clients to either MSHDA's Housing Education Locator or to the HUD website. There they will find agencies within their community.

## Lender Referred Individual Counseling

For clients already working with a MSHDA lender, MSHDA's HEP agencies can provide Lender Referred Individual Counseling. This three hour maximum HBE is based on the borrower's individual needs and mortgage product. Borrowers electing to use this HBE must provide a completed Lender Referral Document to the MSHDA HEP agency at the time of service. Because educators providing this service work with many clients each day, borrowers must contact the agency well in advance of loan submission to secure an appointment and to avoid delays in the closing of their mortgage. Your clients can locate a MSHDA HEP agency within their community by visiting our Housing Education Locator.

## Online Homebuyer Education

Some MSHDA HEP agencies also offer online HBE utilizing either e-Home America or Framework products. Currently, these are the only online products approved by MSHDA. To utilize this education option, borrowers must contact an approved MSHDA HEP agency to get information on the registration process. Agencies providing this service can be found by visiting our Housing Education Locator.

Once borrowers complete this four to six hour online course (which includes quizzes), they must contact the MSHDA agency and speak with a certified counselor. The counselor will provide a review of the session content and the borrowers' mortgage documents, and discuss other topics like PITI, budgeting and savings, moving costs and foreclosure.

Regardless of the type of Homebuyer Education completed, the agency providing the services will issue a Certificate of Completion to the borrower. This document must be submitted to MSHDA along with all loan documents.